



**The Doe Fund**

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# WORK WORKS AMERICA

Thank you for the opportunity to testify to the United States House of Representatives Committee on Financial Services Subcommittee on Housing, Community Development, and Insurance on the topic of homelessness.

As we know, homelessness is not yet eradicated in our great country and, until it is, we need to look at every possible solution, be open to new ideas to enhance existing interventions, and invest in what works. We need to embrace a multi-faceted approach for both the sake of the more than 580,000 unique individuals who experience homelessness each night in America<sup>1</sup> as well as for the benefit of cities and towns of all regions and sizes struggling to break the cycles of the interrelated crises of homelessness, addiction, incarceration, and unemployment that plague their communities.

It is an honor and privilege to collaborate with you to meet this moment of urgency by sharing innovative options that WORK.

My name is Isabel McDevitt and I am Executive Vice President of The Doe Fund and Co-Founder of Work Works America. I have worked in the field of homeless services since 1998 in New York City, Philadelphia, and Metro Denver where I founded the Ready to Work program.

The Works Works model combines paid work in social enterprise with transitional housing and support services as a stepping stone to mainstream jobs and housing. Founded in 1990 and pioneered by The Doe Fund's award-winning Ready, Willing & Able (RWA) program in New York City, RWA Work Works has empowered over 29,000 individuals and through social enterprises pays over \$8 million per year to marginalized populations returning to work. Additionally, by providing people leaving prison with a job, a home, and a supportive environment, Work Works reduces recidivism by an unparalleled 62% after 3 years<sup>2</sup>.

The Work Works model has been scaled to 6 other communities with great success including in Colorado (Ready to Work) where 72% of trainees graduate to mainstream employment and housing. In

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<sup>1</sup> 2020 Point in Time survey

<sup>2</sup> The Doe Fund Client Tracking Database and study with New York State Dept of Corrections data



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Georgia (Georgia Works) where 70% of trainees graduate; 80% of graduates retain their original jobs and housing<sup>3</sup>.

Today, I will share my experience with the Work Works model in multiple regions and ask that we partner to make Work Works an additional tool in our toolkit - a complementary resource to existing interventions - as we strive to end homelessness for the more than 73% of adults experiencing homelessness that do not meet the threshold of chronically homelessness and, therefore, do not qualify for permanent supportive housing<sup>4</sup>.

Currently, Housing First is the most widely supported approach - both philosophically and financially - for addressing homelessness. But, homelessness is a symptom of myriad systemic failures, therefore, housing alone cannot solve it. Communities need additional tools that address the root causes of homelessness and remove the barriers people face - not just in getting, but in keeping permanent housing. Barriers that include un and under-employment, addiction, and lack of access to behavioral health care.

People experiencing homelessness are victims of a lack of investment - beginning upstream with failing schools, substandard housing, unequal access to healthcare, racial inequities, and inadequate access to living wage jobs. Street homelessness, mass incarceration and drug abuse are downstream results of these systemic failures. Of course we would want to prevent homelessness but when we can't and people find themselves on the street after a life event or exit from an institution or at the proverbial "rock bottom", we need quick, accessible interventions and resources to provide tangible, sustainable pathways back to housing that include access to employment and behavioral health services.

Our lack of investment in dynamic solutions doesn't just affect marginalized populations, it hurts everyone. The costly cycles of incarceration have not only a massive financial price tag but a profound impact on communities. Individuals with histories of incarceration, are nearly 10 times more likely to experience homelessness than the general public<sup>5</sup>. The un and under-employment of people who have experienced homelessness and incarceration leads to a loss of 1.7-1.9 million workers and between \$78-\$87 billion in GDP per year.<sup>6</sup> Of people experiencing homelessness in America, an estimated 78% are jobless or underemployed<sup>7</sup>. A disproportionate number of people experiencing homelessness are people of color.

When addressing homelessness, the link between employment and homelessness has been grossly ignored. Now, in 2022 as the country strives to recover and invest in workforce development, policies

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<sup>3</sup> Ready to Work and Georgia Works data reports

<sup>4</sup> National Alliance to End Homelessness - endhomelessness.org

<sup>5</sup> National Low Income Housing Coalition

<sup>6</sup> Center for Economic Policy Research - The Price We Pay: Economic Costs of Barriers to Employment for Former Prisoners and People Convicted of Felonies

<sup>7</sup> Working Population Grows in America, Parade Magazine and program services data



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and programs that create jobs and foster economic growth cannot repeat past mistakes by excluding the most marginalized including people at risk of or experiencing homelessness. Work Works is a bridge that reaches, prepares, supports and stabilizes people - and brings them into our mainstream economy and society yielding a massive return on investment both socially and financially.

For two decades, approaches such as Housing First and Permanent Supportive Housing have been the focus of funders and policymakers. While Housing First appears to be a logical and immediate solution, dig deeper and you will see that traditional housing models are only viable for an estimated one quarter of adults experiencing homelessness based on economic and eligibility criteria set by Federal policy.

In a recent “House America” webinar, a senior HUD representative presented statistics from the 2020 Point in Time count that illustrate the fact that across the country we are lacking housing resources for 85% of the population of adults experiencing homelessness<sup>8</sup>. Put more simply, of 100 people experiencing homelessness only 15 will have access to housing resources. This is partially due to the supply of units compared to the stated development target for housing development, but more importantly, this is also due to eligibility criteria set that disqualifies people who are not chronic or “vulnerable” enough to qualify in the first place even if there was enough supply.

### **On the ground perspective -**

In the 1980s, George McDonald who founded The Doe Fund and the Work Works model spent 700 nights in a row handing out food in Grand Central terminal where he listened to and acted on the needs of the people he met and served who said over and over “thank you for the sandwich, what I really need is a room and a job to pay for it”.

For more than 30 years thousands of people have echoed this statement and have credited the opportunity to work for resolving their homelessness and the transformation of their life.

This is just one story -

*As a child growing up fatherless in Washington Heights, Johnny watched helplessly as his mom struggled to put food on the table for her three children, to keep a roof over their heads and clothes on their backs. But no matter how hard she worked, there was never enough money.*

*For a 12-year-old living in poverty, desperately wanting to help his family survive, the lure of the streets—the lure of easy money—can be hard to resist, no matter the risks. “I hung out with an older crew and we did all kinds of things to make money,” says Johnny. “We robbed people. Broke into apartments. Sold drugs. Sure enough, I started to bring money home. It made me feel like a man.”*

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<sup>8</sup> [https://www.hud.gov/house\\_america](https://www.hud.gov/house_america)



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*But he wasn't a man. He was a 12-year-old boy who was in over his head. By the time he realized that his life was spiraling out of control, it was too late. The crimes and violence had escalated so much that he was getting arrested three to four times a week. By the age of 25 Johnny had spent half his life behind bars—in and out of prison again and again.*

*"That's the problem with the streets," he says. "They trick you. You think you're working them and getting this big pay out. But the whole time, the streets are working you. Taking from you."*

*Johnny's family was evicted from their apartment. He was alone, with nowhere to go. But everything changed when he joined Ready, Willing & Able. "For the first time since I was 12, I wasn't a criminal," he says. He was a young man with a future...a real future. "I was someone who deserved a chance in life."*

While I have never experienced homelessness, I have worked with tens of thousands of people who have. From my perspective working in this field for 24 years in places as different as New York City and Boulder, CO, I have seen the universal power of opportunity and the stark need for a more comprehensive, pragmatic continuum of services that includes work and embraces opportunity.

When I was a shelter provider on-the-ground in Colorado, I saw how the monolithic Housing First approach excluded people and that spurred me to bring Work Works to the community.

*After seeing people like Kurt, 39 years old using heroin since his twenties, divorced due to addiction, living under a bridge in the dead of winter.*

*And Nellie, age 62, who found herself on the streets after losing her husband to cancer and crushed by a pile of medical bills. Frail, vulnerable and unable to afford her own hearing aids, sleeping under a tree, scared and alone.*

*And Kristie, age 31, released from three years in prison to the streets. With no relationships or support and a criminal background looming, looking for a fresh start, a platform to begin her new life and to build a foundation to regain custody of her 7 year old son.*

I was compelled to start Ready to Work. Kurt, Nellie, and Kristie, none eligible for the Housing First resources available in Boulder. All successful participants in the Ready to Work Work Works program.

Other communities feel this too and as a result seek Work Works. We receive hundreds of inquiries a year and are in active conversations with local stakeholders from Texas, Maine, Kentucky, and California.

### **What can we do? The Work Works Solution as a Complement to Housing First**

The Work Works model empowers adults experiencing homelessness who do not self-resolve out of shelter, off the streets, or reentering from incarceration, AND who are not vulnerable enough to qualify



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for traditional resources. Work Works encompasses a dynamic approach with a holistic combination of paid transitional work in a social enterprise coupled with housing and support services as a pathway to mainstream employment and independent housing in one program. Work Works, and its holistic design, is a complement to Housing First and an additional tool for communities.

Over 85% of participants in Work Works are people of color, 88% self-report a history of substance abuse, over 70% have a history of incarceration, 25% have been unemployed for 5 or more years before joining the program. 0% reach the threshold to qualify for permanent supportive housing.

The first element of Work Works is paid work for participants to gain work experience and earn an income. A Work Works model operates social enterprises that offer work experience and training for approximately 30 hours per week. Social enterprises are businesses that integrate a social mission with a market-based, competitive, revenue earning business. Not only do program participants build resumes and references, participants are empowered and often emotionally transformed by the powerful purpose of work. Work Works enterprises can support up to 40% of total program operating cost through earned revenue.

The second element of Work Works is housing, which in this case means transitional, safe, affordable accommodations for program trainees. The Works Works housing type includes converting commercial properties into dormitory-style housing at 20% of the cost of building traditional units. Living in Work Works housing that is part of the program from day one and provides a sense of community and positive living environment to support participants as they transition out of homelessness or reenter from incarceration.

In the third element of the program, support services, trainees meet with case managers and participate in life-skills training such as financial management, debt relief and addiction recovery. Workforce Development services include Adult Basic Education and occupational trainings. Participants are required to establish a savings account to ensure financial stability after they graduate and are living independently.

All of these elements working in tandem are required for Work Works to be successful in the goal for participants to graduate into full-time mainstream jobs and housing after one year.

### **So what's next? Let's make "Work Works" Work for more Americans**

I am here today to ask for your partnership in making this cost-effective, replicable and successful model available on a wider scale as an additional approach to solving homelessness. Without a recognition that there is a vital role for transitional housing coupled with employment and behavioral health services, this model will not be able to scale and communities will continue to fail to provide opportunity for a large proportion of people experiencing homelessness.



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Work Works can be mobilized quickly and effectively and brings benefits to numerous stakeholders. Because our cost-effective model leverages earned revenue in social enterprise and combines housing with supportive services, it better deploys taxpayer funds than traditional homeless services. Work Works offers ways for agencies to pool resources for a more comprehensive, de-siloed approach to addressing homelessness.

The ultimate goal of Work Works is for trainees to leave the program with a full time, mainstream job, independent housing, and sobriety. Every successful completion of Work Works represents not only a personal victory but an individual breaking free of the costly cycles of homelessness, unemployment, and, often, criminal recidivism. Most people eligible for Work Works have a history of cycling in and out of government systems including frequent contact with the criminal justice system. The publicly funded programs include foster care, shelters, prisons, and drug treatment centers—costing tax-payers billions of dollars each year. Work Works' holistic design, innovative model, and work-oriented culture provides an opportunity for individuals caught in these cycles to truly change their lives.

Even before participants graduate into full-time jobs and housing, they are reducing strain on the community. From the day they join a Work Works program, they are integrated into the workforce through their employment in social enterprise demonstrating the real contribution they can make to the community. They are earning and saving money, contributing to the economy, are out of prison and off the streets.

In addition to the cost savings and graduation numbers, Work Works has myriad impacts on the individual including but not limited to increased self-esteem, improved health, and family reunification.

**With policy support and funding, Work Works can be deployed quickly to make an immediate, measurable impact on communities of all kinds. Our recommendations include:**

- Recognizing the holistic model of Work Works—which combines employment, housing, and supportive services—as a new, necessary category of the continuum of care that brings myriad benefits to communities in need.
- Broadening the current, restrictive definition and on-the-ground implementation of Housing First. Setting policy for a broader view of Housing First to allow complementary efforts for communities to provide and fund congregate living/transitional housing for special populations.
- Allocating funding to the Work Works model that can be accessed by states, counties, and municipalities for the purpose of launching and sustaining transitional paid work, coupled with housing and support.
- Leveraging funding from a broad range of sources—including Federal agencies and private/public ventures—to support Work Works, given that its holistic approach not only addresses



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homelessness but also offers economic development, workforce development, behavioral healthcare, reentry services, and many more benefits.

By investing in human capital, The Doe Fund and its Work Works model has the potential to move hundreds of thousands of people off the streets each year into jobs and housing. Our vision is to advance economic and racial justice while saving hundreds of millions of dollars for the communities we empower through our cost-effective Work Works solution that integrates previously marginalized communities into the mainstream economy in order to break cycles of poverty, homelessness and incarceration.

Thank you for this opportunity.

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